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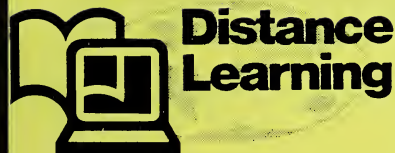


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SOCIAL STUDIES 20

LEARNING FACILITATOR'S MANUAL

MODULE 6 MODULE 6 MODULE 6 MODULE 6



Alberta
EDUCATION

Note

This Social Studies Learning Facilitator's Manual contains answers to teacher-assessed assignments and the final test; therefore, it should be kept secure by the teacher. Students should not have access to these assignments or the final tests until they are assigned in a supervised situation. The answers should be stored securely by the teacher at all times.

Social Studies 20
Learning Facilitator's Manual
Module 6
Economic Development and Interdependence
Alberta Correspondence School
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Module 6 – Economic Development and Interdependence: Overview

This module aims to give the students an understanding of two key interconnecting ideas:

- economic development
- global economic interdependence

In the last century, particularly since the end of World War II in 1945, development has progressed rapidly. In 1945, only a few First World nations were industrialized. Today that number has grown. In addition, most countries of the world are in the process of trying to develop their economies to the fullest. This has increased both global and national wealth, but has also created a host of new problems.

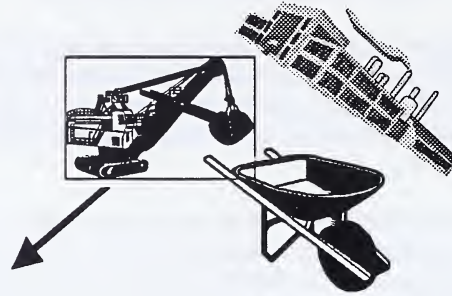
Why is economic growth known as development? Are there alternatives or different types of development? Are choices available to the countries that want to develop? Most of all, how does a country go about getting developed in the first place? Since development seems desirable, there must be limiting factors or obstacles, such as problems with natural resources, technology, infrastructure, or the political structure of a country; otherwise all the world would be fully developed.

In this module there will be an examination of the idea of development and factors that may influence or hinder development. A wide range of examples will be used to show successes, failures, problems, and strengths of development in all areas of the world. And, of course, it must be kept in mind that each country requires very different solutions in order to achieve economic growth.

Finally, the global interdependence and relationships created by this development need to be examined, both in positive and negative terms, including items such as multinationals, Third World debt, and food.

Economic Development and Interdependence

Section 1: Factors of Development



Section 2: Case Studies



Section 3: Global Economic Interdependence



Evaluation

The evaluation of this module will be based on four assignments.

Section 1 Assignment	20%
Section 2 Assignment	30%
Section 3 Assignment	20%
Final Module Assignment	30%
Total	<u>100%</u>

Throughout this manual, both in the introductory areas and in the notes to teachers, there will be references to a number of books. Following is a brief list of these books which could well be used in this course as follow-up or additional reference.

Dunlop, Stewart. *Towards Tomorrow – Canada in a Changing World: Geography*. Toronto: Harcourt, Brace, Jovanovich, 1987.

Harshman and Hanrell. *World Issues in the Global Community*. Toronto: John Wiley, 1989.

Molyneux and Mackenzie. *World Prospects*. Toronto: Prentice-Hall, 1987.

Kidron and Segal. *New State of the World Atlas*. London: Heinemann Books, 1987.

Mitchner and Tuffs. *One World*. Edmonton: Reidmore Books, 1989.

In addition, the Edmonton Learner Centre is an invaluable source of materials and films. Write for their catalogue or phone 439-8744.

Section 1: Factors of Development

Key Concepts:

- development
- capital
- infrastructure
- market system
- planned economy

This section is intended to introduce the idea of development and economic growth, and to investigate various issues surrounding development. The main concentration is on some of the factors necessary for development, some of the possible alternatives in their use, and the resulting problems if these factors are lacking or misused.

Teaching Suggestions:

- *Throughout this module, a good source of statistics is available in the Appendix of the text **World Prospects**. It may be used to check on information, or it may be used to delve further. For example, assign the students a country (perhaps of their choice), and have them look up its statistical data. What information can they deduce from this?*
- *Since students are probably most familiar with Canada, it is always a good idea to compare another country's data with that of Canada.*
- *The novel **The Ugly American** by William J. Lederer and Eugene Burdick, if available, is an extremely good portrayal of problems involved in development. Each of the chapters in the novel is more or less complete in itself, and is written at an interesting and easy-to-read level.*
- *Have students find examples of factors of development in Canada. They could, for example, collect clippings or mount a display poster.*
- *Students can do more detailed map work; for example, placing selected countries or features on a map.*
- *Emphasize to students that development can proceed only once a base is established. This base is the infrastructure.*

Section 1: Activity 1

1. a. Which of these three countries probably spends the greatest amount of money on medical care?
Country A does. (It has the longest life expectancy.)
- b. Which country probably has the poorest medical care?
Country C does. (It has the shortest life expectancy.)
2. Which of the three countries would
 - a. have to make the largest payments to repay their debt?
Country B would have the largest payments.
 - b. require most electrical power for its cities and industries?
Country A should require the most power.
 - c. be able to retrain its workers most easily?
Country A should have the highest standard of living because it has the highest literacy rate. Retraining is very difficult if a person cannot read.
 - d. have the highest standard of living?
Country A is by far the wealthiest. It has the highest food consumption, the strongest economy, and the highest per capita income.
3. Use the statistics on the chart to decide which of the three countries is
 - a. a developed country
 - b. a developing country
 - c. a less developed country
 - a. *Country A is developed.*
 - b. *Country B is developing.*
 - c. *Country C is less developed.*

Section 1: Activity 2

1. What other proof or evidence can you find in the photo to show that this is a city in a developed country? List three separate points.
 - a. *There is a large number of cars and other vehicles.*
 - b. *There is a complex road system.*
 - c. *There is modern architecture, showing much wealth in technology and construction.*
2. Later in this module, you will see that development, although usually desirable, sometimes has its problems or drawbacks. Name at least two of those problems visible in the picture.
 - a. *There is pollution from cars and factories.*
 - b. *There is a "concrete jungle" – a noisy, impersonal urban environment.*

You may have mentioned other related problems.

3. Describe the conditions that you see in the picture. List three specific conditions that you observe.
 - a. *There are much nicer homes in the background, on the other side of the hill.*
 - b. *There are squalid huts, apparently crowded and unsanitary.*
 - c. *"Facilities" seem absent, i.e. running water, power, and so on.*

You may have pointed out other conditions.

4. From the reading above, identify four of the benefits of economic development.
 - a. *job creation*
 - b. *production of a wider variety of goods*
 - c. *creation of more trade – a commercial economy*
 - d. *changes to social and other conditions, created by increased wealth*
5. Now that you have identified the main benefits of development, how well can you apply them?
 - a. What conditions in the two pictures would change if development occurred. Be specific.
 - *Jobs would be created.*
 - *Housing could be built.*
 - *More technology could be applied, e.g., a plough, a tractor, or running water.*
 - b. How would the lives of the people in the pictures change if development occurred?

People's lives would be change because of increased wealth, jobs, and technology, e.g. perhaps there would be mechanization in farming, or mass housing.

Section 1: Activity 3

Examine this world map. It shows the main locations of four physical features.

1. What do these four features have in common in their effects on a country's ability to develop?

All these features are limits for living or for growing foods. People in large numbers cannot live or grow crops in deserts or places like the Arctic.

- 2.

Resource	Uses
Forests	• lumber, paper, wood products
Fish	• <i>fishing, industry, food</i>
Minerals (e.g. iron)	• <i>power, building, manufacturing</i>
Farmland	• <i>farming – raising food for eating or for export</i>
Water	• <i>human use, industrial use, recreational use</i>

3. What geographic or climatic disadvantages does Canada face? Compare these to the disadvantages of another country of your choice.

	Canada	Other country _____ (Name)
Climatic Problems	<ul style="list-style-type: none"> • severe winters • dryness in some areas • short growing season 	
Geographic Problems	<ul style="list-style-type: none"> • very large size • difficulty in transporting goods • mountains 	
Distance to Markets	<ul style="list-style-type: none"> • great distance from many, but close proximity to U.S., our largest trading partner 	
Number of Resources	<ul style="list-style-type: none"> • huge amount and variety of resources – minerals, land, forests 	

The third column, of course, will vary, depending on the country you selected.

4. a. At Point A what item (guns or butter) is being concentrated on?

Butter is being stressed.

- b. At Point B.

Both are stressed equally.

- c. At Point C.

Guns are being stressed.

5. If more guns are produced, what happens to the amount of butter produced?

As one is increased, the other is decreased.

6. How does this model demonstrate the economic choices that all countries must make?

If a country decides to spend money or resources in one area, it usually means that some other area will be cut back.

Section 1: Activity 4

1. Now, look at the steps that Xanadu will have to take to develop its iron. Beside each of the steps, put a check (✓) if you think that Xanadu would be able to accomplish that step on its own. Put an **x** beside those steps that you think Xanadu could not accomplish. Refer back to the statistics.

Steps in Developing Xanadu's Iron	
Steps	Could Xanadu Do It? (✓ and x)
a. Have geologists explore the find.	<p><i>It is not likely that Xanadu could accomplish any of these steps.</i></p> <p><i>a. and b. They would have few trained geologists or economists, and probably few facilities to train them.</i></p> <p><i>c. Equipment and mining technology would not be available.</i></p> <p><i>d. and h. Nor would railways or roads to transport the material be available.</i></p> <p><i>e. and f. Money, expertise, and skilled labour would be lacking for these stages.</i></p>
b. Have economists develop a plan of how to exploit the iron.	
c. Mine the iron ore, using modern heavy equipment.	
d. Transport the ore to a place where it can be refined.	
e. Design, finance, and build a refinery.	
f. Manufacture the iron into iron products.	
g. Find buyers for these products.	
h. Ship the iron to buyers.	

2. Following are some of the items needed before industrialization can happen. They make up the infrastructure of a country. Beside each one, jot down, in point form, why it is a necessity for development. The first one has been done for you.

Infrastructure (Support Services)	Why Needed
a. Education	Workers need to be able to retrain and become skilled, usually by using texts. Specialists are needed.
b. Capital	<i>It is needed to finance projects, buy materials and supplies, build factories.</i>
c. Transportation	<i>Goods and services must be carried both within country and to outside markets</i>
d. Energy or Power Source	<i>Power is needed for cities, factories, and transportation.</i>
e. Equipment and Technology	<i>They are needed in order to develop new or more efficient production methods.</i>
f. Markets	<i>There must be people/countries to buy products made.</i>
g. Labour Supply	<i>No development is possible without labour, especially skilled labour.</i>

Section 1: Activity 5

1. a. In Canada, who decides what goods or products will be produced?

Business owners decide on this for their own businesses.

- b. Who makes the decision as to how these goods or products will be made?

Business owners do this as well.

- c. Who decides, in Canada, who will get these goods—in other words, how they will be distributed?

Goods are distributed on the basis of who can afford to buy them. There is some government help to those unable to buy necessary goods, i.e., support themselves.

2. If Xanadu had a centrally planned economy, who would make the decisions regarding the development of its iron?

The government would make the decisions.

3. Who would probably make many of the decisions regarding the iron if Xanadu had a market economy?

Business owners would make many of these decisions.

4. a. Look at the preceding pictures. What undesirable aspects of development do they show?

The photograph shows pollution of water and air.

- b. Can you think of two other undesirable results or aspects of industrial development?

- *destruction of farmland*
- *creation of huge cities*
- *noise*
- *disruption of traditional lifestyle*

You may have thought of others.

5. Following are some of the main alternatives for countries that are trying to develop. For each of them, list some of the advantages and disadvantages. Several have been done for you.

a. Improve traditional means of production

Possible Advantages • *It would not disrupt traditional ways of living.*

• *People would be more in control of their own destiny.*

Possible Disadvantages

• *Villages and so on would remain intact.*

• *It might not work as quickly or on as large a scale.*

• *It would not create goods which would rival those of developed nations.*

b. Borrow money to develop industry

Possible Advantages • *The country could get money now.*

• *Development would come first.*

Possible Disadvantages

• *The country could go heavily into debt.*

• *Payments might become too heavy, particularly if development fails.*

c. Accept foreign aid

Possible Advantages • *It would give more capital for development.*

• *There would be quick money now for development.*

Possible Disadvantages

• *Aid might have "strings attached."*

• *There would be a loss of control when aid was accepted.*

d. Multinational corporations to help in development

Possible Advantages

• *The country could use the equipment, the expertise, and capital of multinationals*

• *It would create jobs.*

Possible Disadvantages

• *It might result in a loss of sovereignty.*

• *Profits would leave the country.*

6. Make a list of six factors that might influence a government when making decisions on economic development.

a. *type of economic structure*

b. *amount of money and technology available*

c. *questions of whether industrial development or traditional development is desired*

d. *stability and strength of government*

e. *priorities of government (e.g., army)*

f. *role and attitude of the wealthy elite*

You may have thought of other factors.

Section 1: Activity 6

1. Describe, from your understanding of the chart, the differences in lifestyle of the society in Country X and the society in Country Y.
 - *Country X seems to be an industrialized, developed nation, while Country Y is a less developed nation.*
 - *Country X is urban and aimed at money (generally it has a comfortable lifestyle in terms of luxuries).*
 - *Country Y is rural and traditional, having fewer physical comforts*
2. a. What aspects of life in Country Y would be most likely to change if it began to industrialize?

Answers will vary to this question. Here are a few possible answers.

- *It would become more urban.*
 - *There would probably be fewer, larger, and more efficient farms.*
 - *There would be more machinery and technology.*
 - *There would be change in all areas; more goods would be produced in factories.*
- b. How would these changes likely be seen by many of the people of Country Y?

Those in Country Y who prefer the traditional lifestyle would be very critical of many of these changes, even if they meant more money.

Section 1: Follow-up Activities

Extra Help

- c 1. This country has bought many trucks, but does not have enough mechanics to service them.
- e 2. Oil has been found in the Beaufort Sea.
- a 3. The climate of the North makes drilling difficult.
- d 4. Corrupt officials often steal some or all of foreign aid money.
- c 5. This country has many natural resources but neither the money nor the experience to mine them.
- e 6. This group of people believes that a person should work only to meet basic needs; after that, more is not needed.

- d 7. The government tries to encourage multinationals by offering tax breaks.
- a 8. Irregular rainfall makes farming difficult.
- c 9. Machinery is not available for an advanced system of production.

Section 1 Assignment

In Activity 4 of this section, you were introduced to the imaginary country of Xanadu and its recent find of iron ore. You were also provided with a map and a variety of information on this country.

With what you know of development, and of Xanadu, devise a development strategy for Xanadu and its iron find. In other words, explain how you would go about developing the iron ore. Be sure that you take into account both the weaknesses and strengths of Xanadu.

Include your choices on each of the following:

- geographic factors
- availability of resources
- infrastructure
- political factors
- social factors

For example, how would you get the necessary capital and technology?

Write your answer in the form of a short essay, complete with introduction, body, and conclusion. You will be marked on how clearly you recognize both the problems and possible solutions, and how well you explain your choices. Your answer must reflect the information learned in this section.

The assignment asks for the students to develop their own development strategies for Xanadu. Answers will vary widely, but the positions that the students take must be clear and logical. They must make economic sense.

Included should be some of the following considerations which emphasize Xanadu's lack of infrastructure:

- *scarcity of roads and few transportation facilities*
- *low literacy rate (shortage of skilled labour)*
- *lack of capital*
- *shortage of technology*
- *lack of expertise in developing or manufacturing*
- *poor communications*
- *low power supply*

The students will need to find ways around these problems. Solutions might involve the following:

- *injection of capital*
- *loans*
- *aid*
- *multinationals*
- *self-development*
- *development of roads*
- *education of the people*

Section 2: Case Studies

Key Concepts:

- **development**
- **environmental problems**
- **urban crowding**
- **job creation**
- **diversification**

The aim of this section is to give clearer focus to the material developed in Section 1. The student gets the opportunity to have a more detailed look at development in Brazil and India. In each country the successes and failures of development are analyzed, along with reasons for each. The student is given the chance to evaluate and assess development in these nations.

Teaching Suggestions:

- *For either Brazil or India, students could make a more in-depth study. This could involve such things as:*
 - *posters*
 - *maps*
 - *statistics (see Appendix in World Prospects)*
- *Stress alternatives throughout these case studies, e.g., if Brazil is rapidly destroying the rainforest, what alternatives are there? It is too simplistic just to say "Stop." Farmers and miners are clearing for a reason. Look for alternatives.*
- *See New State of the World Atlas, map 38. It portrays the gap between wealthy and poor throughout the world. Have students look up India and Brazil.*
- *Contrast the wealth and the poverty that exists in each of these countries (in Canada, too, for that matter). What are some of the moral or economic issues that arise?*

Section 2: Activity 1

1. List in the chart that follows the positive and negative results of development in Brazil.

Positive	Negative
<ul style="list-style-type: none"> • has largest economy in Latin America • has high growth rate (doubles every ten years) • has wide variety of exports • is in "top ten" of world's economies • is largest coffee and sugar producer 	<ul style="list-style-type: none"> • has wide gap in wealth • has problem with destruction of rainforest • has huge debt – over \$120 billion • has large slums in quickly growing cities

2. How has development affected each of the following groups in Brazil:

- a. wealthy landowners and business people?

Landowners and business owners profit from the huge increase in production.

- b. urban (city) workers?

Urban workers find more jobs available, but many people are moving to cities, so pay and living conditions are often poor.

- c. native Indians living in the rain forest?

Indians in the rain forest are threatened by the cutting of the jungle.

- d. people involved in international trade?

People involved in international trade make great profits because of the amount exported.

3. Is the following statement true or false? Using the information on Brazil, list three pieces of evidence that would help to prove the statement either true or false.

Development will solve the problems faced by the nations of the world.

Evidence that the Statement is True	Evidence that the Statement is False
<i>huge increase in exports</i>	<i>huge gap in wealth</i>
<i>rapid growth rates (now in top ten)</i>	<i>destruction of rain forest</i>
<i>largest Latin American economy</i>	<i>huge debt</i> <i>poor living conditions in cities</i>

Section 2: Activity 2

1. Consider the preceding maps showing the population density and the regions of Brazil. In which of the three regions of Brazil do the majority of Brazilians live?

Most live along the coastal plain, centered around several major cities.

2. Make a list of the resources of Brazil, as shown on the preceding map.

- *oil*
- *gold*
- *uranium*
- *rich farmland*
- *iron*

3. In what ways could it be said that the gold, iron, and other minerals in the rain forest are both a blessing (an advantage) and a curse (a disadvantage) for Brazil?

They can be considered a blessing because the resources are of great value. They can be a curse, because the resources attract mining, population, and development, which could mean the destruction of the rain forest.

4. What is the danger to a country's economy if it depends too heavily on a single group of products, such as coffee, sugar, and tobacco?

There is a national crisis if prices fall or there is a poor crop. The country is thus left vulnerable. These are cash crops, which means food could be grown there instead.

5. In the 1950s, Brazil's government began a series of policies to develop and broaden the economy. Listed here are the actions of the Brazilian government. For each of these actions, match it to the result that was desired by the government. Put the Roman numerals from the column on the right into the appropriate blanks in the column on the left.

Action Taken by Government

Desired Result

- | | | |
|--|--------------|--|
| a. encourage development of resources, like gold, iron, oil, and uranium | <u>(iii)</u> | (i) bring in more capital and multinationals |
| b. welcome and encourage foreign investment | <u>(i)</u> | (ii) help develop the interior of the country to balance population and development of resources |
| c. move capital city from Rio de Janeiro to Brasilia | <u>(ii)</u> | (iii) create a more diverse economy rather than one resting only on agriculture |
| d. restrict imports, encourage exports | <u>(iv)</u> | (iv) make Brazilians buy Brazilian products, which stimulates manufacturing |
- a. (iii) *This gets away from dependency on cash crops only.*
- b. (i) *This creates more jobs.*
- c. (ii) *This helps to ease the population pressure on the coast.*
- d. (iv) *If imports are restricted, this encourages Brazilians to buy domestic products; this will help build industry and create jobs.*

6. From your knowledge gained so far in this activity, explain some of the problems that have resulted from economic development in Brazil. To help you, each of the following photos and graphs represents one of these problems. Beside each photo or graph explain the problem and tell what the government could do to attempt to solve it.

- a. Problem:**
- *there are large city slums*
 - *there is a large gap between rich and poor*
- Why it has occurred:**
- *wages are low*
 - *development profits only some*
 - *people migrate to cities*
- What could be done:**
- *spend more money on social programs; reduce control held by wealthy over most land and industry*
- b. Problem:**
- *deforestation occurring*
 - *the rain forest is disappearing*
- Why it has occurred:**
- *there is a need to find more farmland and develop resources*
- What could be done:**
- *try to develop resources without destruction; develop other farmland, or use existing land more efficiently for all, particularly the poor*
- c. Problem:**
- *the foreign debt is increasing*
- Why it has occurred:**
- *large amounts have been borrowed to finance development*
- What could be done:**
- *decrease borrowing; announce the cessation of payments (bankruptcy); increase exports to pay debts*
- d. Problem:**
- *poverty is growing in cities*
- Why it has occurred:**
- *people migrate to cities looking for work; many live in slums or squatter's shacks*
- What could be done:**
- *expand rural development, or development in the interior; limit birth rates*

Section 2: Activity 3

- Which two of the increases shown in the chart would be most helpful to the production of automobiles in India?
 - steel production
 - oil production
- According to the graph, India's population is (put the letter of the best answer in the blank)

B
- On the previous page, you learned that India's economic growth rate is close to 2 percent per year. This means its economy will double in about forty years. Is India's population doubling at a faster or slower rate than its economy?

India's economy is growing quickly at 1.7 percent per year (forty years doubling time). However, the population is growing at more than 2 percent per year (about thirty years doubling time).

- What are the implications (possible consequences) of these two rates of growth?

If the population is growing faster than the agricultural and industrial output, then, in real terms, the amount of food and wealth available per person is actually decreasing.
- If population doubles every thirty years, what other features must double as well, just to keep up? Name five in addition to the ones given.
 - jobs
 - housing
 - amount of food
 - transportation facilities
 - education facilities
 - health facilities
 - consumer products

All of these must double in thirty years, just to keep up with population growth.

- Write a brief (one to three sentences) summary of the economic development in India and the problems limiting its overall success.

Answers will vary, but you should have written something along the following lines:

In the last forty years, India has made huge economic gains, and developed its resources and industries to a great extent. However, population growth (among other problems) has limited the real success of this economic development.

Section 2: Follow-up Activities

Extra Help

BRAZIL	INDIA
Products Produced before 1950	
<ul style="list-style-type: none"> • <i>coffee</i> • <i>sugar</i> • <i>tobacco</i> 	<ul style="list-style-type: none"> • <i>grains</i> • <i>tea</i>
Resources Available for Development	
<ul style="list-style-type: none"> • <i>gold</i> • <i>oil</i> • <i>uranium</i> • <i>good farmland</i> • <i>iron</i> • <i>forests</i> 	<ul style="list-style-type: none"> • <i>iron</i> • <i>oil</i> • <i>good farmland</i>
Successes in Development	
<ul style="list-style-type: none"> • <i>wide variety of exports</i> • <i>oil industry</i> • <i>huge agricultural production</i> • <i>development of interior</i> • <i>rise to one of the world's fastest growing economies</i> 	<ul style="list-style-type: none"> • <i>huge growth in agriculture, steel production, manufacturing, oil production, and economy in general</i>
Problems Resulting from Development	
<ul style="list-style-type: none"> • <i>larger gap between rich and poor</i> • <i>huge cities – many social problems from poverty</i> • <i>environmental problems</i> • <i>massive foreign debt</i> 	<ul style="list-style-type: none"> • <i>inability of economy to grow fast enough to match population growth</i> • <i>large cities – much poverty</i>

Section 2 Assignment

Do either Part A or Part B

A. Preamble:

The province of Alberta is rich with resources such as oil, good farmland, and forests. The government of Alberta tries to interest people (from inside Alberta and outside) to invest in the development of these resources.

In the late 1980s, a series of Japanese, American, and Canadian groups announced plans to build several pulp and paper mills in northern Alberta. Some people have seen these projects as hazardous to the environment, others as a boon for the economy, many as a combination of the two.

Assignment:

Write a newspaper editorial that examines the issue of development of the pulp and paper mills in Alberta. Assess both the potential problems and benefits, based on your knowledge of development and its consequences. State a clear opinion on what you think should be done. You may want to draw comparisons to development in Brazil or India.

OR

- B. Write a newspaper editorial examining economic development in **either Brazil or India**. Assess both the successes and failures of economic development, and describe a policy which would bring the most benefits to the country in the future.

Note: Most sections of a newspaper are concerned with reporting what happened. The editorial page of every paper, however, gives the opinion and ideas of various people who write for the paper. A good editorial will usually start with a summary of actions or events. It will then examine these critically, either to praise them, to argue against them, or perhaps do a little of each. Finally, the editorial will propose something else that should have been done or should be done in future, and explain why these proposals will work better.

Your editorial should be several paragraphs, or about two hundred words, long.

Students are to do either Part A or Part B.

A. Pulp Development in Alberta

Students must take a clear, well-supported position, based on information and knowledge of development. Comparison or contrast with Brazil or India is encouraged.

Some points that could be argued in favour of development are these:

- *job creation*
- *injection of money into the economy*
- *increase in exports*
- *help for other industries (e.g. transportation)*
- *further development of resources*

Comparisons may be drawn to the benefits of this sort of development in India or Brazil.

Some points that could be argued against this development are these:

- *environmental concerns*
- *problems with pollution*
- *air and water quality*
- *potential damage to resources and wildlife*
- *concerns about foreign investment*
- *potential problems from multinational involvement*

B. Development in either Brazil or India

Whichever country they choose, students must

- *emphasize that development has resulted in both advantages and disadvantages*
- *engage in some discussion of these matters*
- *devise a logical, economically sound policy for future development*

Brazil

Problems:

- *debt*
- *deforestation and environmental pollution*
- *rapid expansion of cities with huge slums*
- *poverty of a large portion of the population*

Successes:

- *great increase in wealth*
- *development of many resources and industries*
- *rise in exports and manufacturing*
- *development of one of the world's fastest growing economies*

India

Problems:

- *rising population*
- *large urban slums*
- *squalid living conditions*

Successes:

- *rapid industrial growth*
- *exploitation of minerals and other resources*
- *agricultural expansion*

Students may wish to use statistics here. Again the students need to explain the above points, then develop a scheme that will continue the successes, yet attack the problems. The solution must be practical and economically sound.

Section 3: Global Economic Interdependence

Key Concepts:

- **global interdependence**
- **cash crops**
- **land reform**
- **multinational corporations**
- **foreign debt**

This section looks at the global economic ties that exist in the world today. Many of them are a direct result of recent economic development.

This interdependence has often been a “good” thing, in bringing far-flung areas of the world together. On the other hand, this interdependence has also created or contributed to problems in the world.

Three areas of this interdependence are examined in this section:

- foreign debt
- food
- multinational corporations

Teaching Suggestions:

- *Have the students use the library to find foreign debt statistics from several countries. What would the payments be? How do these debts compare to the GNPs of the countries?*
- *Have the students make a list of all the products in their houses (or school) that are produced elsewhere. What does this show about interdependence?*
- *Ask the students what cash crops are grown in their area.*
- *Ask if there are any banks in the area in danger of losing money to Third World Debt.*
- *View the film "Challenge to End World Hunger," available at the Edmonton Learner Centre.*

Section 3: Activity 1

Your answers here will, of course, be personal. Were you surprised at what you came up with?

Section 3: Activity 2

1. Look at each of the events of the 1970s and describe how each one would worsen the debt situation in developing countries.
 - a. *Increasing interest rates raised the cost of borrowing. Payments would be more expensive and it would be harder to repay loans.*
 - b. *The cost of oil – the key source of energy for many nations – went up. Developing nations with oil borrowed heavily while the prices were high; then, when prices dropped, they had huge debts but little oil income.*
 - c. *As prices fell, many developing nations lost their main source of income.*
 - d. *As inflation rose, many other costs also increased.*

2. Based on what you have learned about the inequalities in Brazil, which group of people are most likely to suffer from these interest payments? Explain your answer.

Probably the poor would suffer most. Wages would remain low for those working in agriculture or in manufacturing industries.

3. What other options does Brazil have?

Brazil could

- *continue to try to pay*
- *try to find a new method of payment through negotiation*
- *refuse to make any more payments (in effect, declare bankruptcy)*

4. What would happen to the banks if the money were not repaid?

They would lose the money they had lent. Some banks have lent over \$4 billion. In some cases this could cause the banks to collapse; in most cases they would have to raise prices elsewhere (your bank account?) to compensate.

5. Many Canadian banks lent money to Brazil. If the money is not repaid (for example, almost \$1 billion to the Bank of Montreal), how could that directly affect you, here in Alberta?

The bank could collapse. More likely, it would lose the money and then try to get it back in other ways by raising its charges (e.g., service charges, costs of services and so on). This would raise the cost of banking in Alberta.

Section 3: Activity 3

1. What does each picture show about farming or food supply in the world today?

- a. *Picture A: large farm areas; good crops; mechanization*
- b. *Picture B: drought*
- c. *Picture C: drought and growing desert*
- d. *Picture D: small farm areas; good crops*

2. Given the above statistics, what are the three choices left to the rest of the rural population?

- a. *try to find land elsewhere (usually rather poor land)*
 - b. *work as labourers on the large farms*
 - c. *go to the city, and try to find other work*
- The last two options are by far the most common.*

3. Explain, as a summary, how redistributing land into smaller plots among more farmers would increase food production.

The small farmers would grow their own food. The same land, divided into large farms, often only grows cash crops. Further, people tend to put a lot more effort into working their own land.

Part A

4. How are these groups of crops different from one another?

The group on the left consists of non-food items.

5. Which group is usually grown as cash crops?

The group on the left is usually grown as cash crops.

6. Make a more complete list of common cash crops.

Answers may include things like these:

- | | |
|-----------|-------------|
| • cotton | • barley |
| • tobacco | • wheat |
| • sugar | • rubber |
| • tea | • marijuana |
| • peanuts | • rice |
| • grapes | |

Any agricultural product may be grown as a cash crop, provided that it is being grown in order to sell, not to eat.

7. Pineapples and sugar are both food products, but they are usually listed only as cash crops. Why?

They have little real food value, and are used as "luxury" food items.

8. Fill in the table that follows. Write in how each group benefits and/or loses because of cash crops. The first one is done for you.

Group	Explanation of How Cash Crops Affect the Group
a. Small Farmers	<ul style="list-style-type: none"> • land is lost to large owners. • much labour, fertilizer, etc. are lost to cash crops
b. Workers	<ul style="list-style-type: none"> • <i>jobs are created, but they tend to be low-paying jobs</i>
c. Large Landowners	<ul style="list-style-type: none"> • <i>they usually benefit</i> • <i>with large farms and lots of labour, machinery, etc. they make large profits</i>
d. Economy of Poor Country	<ul style="list-style-type: none"> • <i>profits are made, but most go to landowners</i> • <i>products and labour are in demand, but they could have been used for food production</i> • <i>sometimes the country then has to buy food on the world market, when it could have been grown on the land used for cash crops</i>
e. Multinational Corporations	<ul style="list-style-type: none"> • <i>they make profits and get the crop, usually at a relatively low price</i>

Part B

9. Make a list of the cash crops that are mentioned in this film.

- pineapples
- peanuts
- tea
- coffee
- cocoa

10. Sugar is a food item, but is usually called a cash crop. Why?

Sugar has limited food value and is considered a "luxury" food item.

11. What are some of the consequences of raising cash crops? Try to list as many as possible, both positive and negative.

Positive	Negative
<ul style="list-style-type: none"> • jobs are created • profits are made by owners 	<ul style="list-style-type: none"> • poor jobs, low pay, and poor conditions result • land is not used for food • poverty is created

12. See answer to Activity 3, #8.

Section 3: Activity 4

1. What crop provides the basic material needed to produce blue jeans?

Cotton provides the basic material.

2. In what part of the world is this material often grown?

Cotton is grown in hot humid areas, e.g., India, the southern United States, and many areas in South America and Africa.

3. Why might the company decide to buy or lease land in the developing nation, hire labour, and grow the crops itself, rather than buy them?

This cuts out the "middleman." The company would be able to get the cotton more cheaply if it grew it itself.

4. How would the developing country benefit from having the multinational buy (or lease) the land and grow its own cotton? List ways.

- a. *the company invests money, by buying land and equipment*
- b. *jobs would be created*

5. What problems might result? List three.

- a. *the jobs could be poor ones*
 - b. *the company would drive away small farmers, who might be competing*
 - c. *the company could monopolize production in that country*
- Did you think of others?*

6. Now that the cotton has been obtained, the jeans must be made. A factory needs to be built to sew the jeans. Complete the following chart that deals with this decision.

	Build Factory in Home Country of Multinational	Build Factory in Developing Nation
Advantages for Multinational	<ul style="list-style-type: none"> • <i>ease of shipping</i> 	<ul style="list-style-type: none"> • <i>cheaper labour</i> • <i>lower costs</i>
Disadvantages for Multinational	<ul style="list-style-type: none"> • <i>high labour costs</i> • <i>expensive materials</i> 	<ul style="list-style-type: none"> • <i>higher costs for transportation</i> • <i>need to train workers</i>
Benefits to Developing Nation	<ul style="list-style-type: none"> • <i>none</i> 	<ul style="list-style-type: none"> • <i>creation of jobs</i> • <i>additions of money to economy</i>
Problems for Developing Nation	<ul style="list-style-type: none"> • <i>loss of jobs</i> 	<ul style="list-style-type: none"> • <i>possible dependency on multinational</i> • <i>low-paying jobs</i> • <i>possible pollution and other environmental hazards</i>

Summary

7. It's time to do an overall balance sheet on multinational corporations. Some people believe that they are too large and powerful and that they control too much of the world's economy. Others would reply that their business is both necessary and beneficial to the world's economy. Complete the balance sheet that follows.

Activity of Multinational	Possible Advantages	Possible Disadvantages
a. Growing Cotton in Developing Country	<p>To Developing Nation: <i>jobs and investment are developed</i></p> <p>To Multinational: <i>a cheap source of cotton is created</i></p> <p>To You, the Consumer: <i>if the company grows cotton for less, the jeans should cost less</i></p>	<p>To Developing Nation: <i>land is used for cash crops, not food; jobs pay poorly</i></p> <p>To Multinational: <i>it is farther to transport goods</i></p> <p>To You, the Consumer: <i>there are none directly</i></p>
b. Manufacturing Jeans in the Developing Country	<p>To Developing Nation: <i>investment and industry are brought in</i></p> <p>To Multinational: <i>cheaper labour and materials are available</i></p> <p>To You, the Consumer: <i>this should make the jeans cheaper</i></p>	<p>To Developing Nation: <i>jobs are low-paying; most profits leave the country</i></p> <p>To Multinational: <i>there are higher transportation costs</i></p> <p>To You, the Consumer: <i>there are none directly</i></p>
c. Making Profits at Each Stage	<p>To Developing Nation: <i>there are few</i></p> <p>To Multinational: <i>there is more money for profit and reinvestment</i></p> <p>To You, the Consumer: <i>there are many; if the company profits, that encourages them to continue</i></p>	<p>To Developing Nation: <i>profits and reinvestment leave the country</i></p> <p>To Multinational: <i>there are none</i></p> <p>To You, the Consumer: <i>there are none directly</i></p>

8. Is it likely that such violations would be permitted in Canada or the U.S.? Explain.

No. Safety regulations are stricter and more strictly monitored.

9. What reasons can you think of that would explain why the government of India did not enforce stricter safety rules?

India, like other developing nations, needs the jobs and foreign capital that multinationals bring. India cannot demand or insist on things, or the company might go elsewhere.

10. What measures can you think of that would solve the problems created by multinationals, yet keep the benefits that they bring?

This is not an easy question to answer. Could laws be passed? What would multinationals do if they felt the laws in a country into which they were expanding were too severe?

Section 3: Follow-up Activities

Extra Help

1. Read the preceding information and then examine the statements that follow. Write A beside the statements that agree with, or are supported in, the above article. Write D beside those that disagree with the information in the article.
 - a. A The U.S. buys many of the world's food exports.
 - b. D All the world's arable land is now being farmed.
 - c. D Malnutrition in Guadeloupe is caused by poor harvests.
 - d. D Wheat and other basic foods are growing at the fastest rate in world food production.
 - e. D People are starving because the world cannot grow enough food.
 - f. A Cash crops contribute to the problems of food supply.

2. How does the interdependence of the world's economy affect you? Do your living, eating, or buying patterns affect people in other areas of the world? Do their economic activities touch your life?

Read the headlines that follow, and below each describe how it could reflect on your life. Hints have been provided.

- a. Effects on You: • *Canadian banks may suffer, then raise their charges.*
 • *The products we now use from Brazil might be limited.*
- Effects on Brazil: • *This could help restore order to the economy.*
 • *It would make their credit rating very low.*
- b. Effects on You: • *This could lead to greater supply and lower prices in Canada.*
- Effects on Niger: • *It would create jobs.*
 • *It would also create problems; since nuts are cash crops, where will the people get their food?*
- c. Effects on You: • *The price of coffee would likely rise sharply.*
- Effects on Columbia: • *The economy would be in trouble, since it depends heavily on that one crop.*
 • *Serious problems for business and individuals would result.*
- d. Effects on You: • *Jobs and investment would be taken out of Alberta.*
- Effects on India: • *India would receive the jobs and investment.*

Enrichment

1. a. The top seven multinationals all deal in one of two products. What are these products?
- (1) *oil*
 (2) *automobiles*
- b. What does this suggest to you about the value of these products in the world marketplace?
- They are obviously of great value.*

2. What country is headquarters for the majority of these large multinationals?

The United States is headquarters for the majority.

3. Bangladesh (number 94 on the list) has a GNP of \$14 billion, about one sixth the annual sales of Exxon. In negotiations for business between the two, which would likely be the stronger?

Exxon is far stronger economically than Bangladesh. The country would have to plead to get Exxon's investment, and would have to make concessions.

4. a. Do any of the multinationals have branches in your area?
b. Can you identify any of their products that you buy or use?

a. and b. Answers here will be individual.

5. Often what happens in on part of the world affect other parts. If General Electric for example (number 54 on the list), opened a factory in Peru, and it lost (or gained) a great deal of money, how might this affect the price of G.E. products in Canada?

Whatever happens would be reflected in Canada. If the Peru plant lost large sums, General Electric would have to raise prices elsewhere to cover the loss.

Section 3 Assignment

1. a. What would be a good caption for this cartoon?
- b. What point is the cartoonist trying to make about the differences in the world? In what way does the cartoon show that there is also interdependence?

Note: Your answer should include and make use of information and terms discussed in this section.

2. **The reason why several billion people of the world are malnourished has more to do with economics than agriculture.**

Explain what is meant by the preceding quotation. Answer in a clear, well-planned paragraph, making use of the information presented in this section. Include one specific example.

Note: Do not present the same material that you included in your answer to Question 1.

1. a. *Captions will be widely varied, and should be assessed on originality and apparent understanding of the issue.*
- b. *Answers will vary, but the students need to describe*
 - *the vast disparity that exists. The students should describe the disparity, and perhaps the causes of it.*
 - *the fact that there is some connection between the two characters. The students should describe the interdependence, along with its causes. They might mention the lack of resources in the Third World, and/or the exploitation and debt imposed by wealthy nations on the Third World.*
2. *Students should write a paragraph discussing the economics of world food supply. Topics to be included are*
 - *cash crops*
 - *land ownership*
 - *manipulation by multinationals*

The basic theme is that the world does, or could, grow enough food to feed its people. The problem is that food is poorly distributed, in that a few people own most of the land, or that the wrong kinds of crops are being grown – for profit, not for food.

Final Module Assignment

In this century economic and industrial development has spread throughout the world. This has helped to create close global economic ties. Not all people, however, see this development and interdependence in the same way.

In this assignment, you will construct five arguments or debates between two people. They will be discussing a variety of issues, presenting opposing viewpoints. Read the example that follows.

Example:

Topic: Multinationals

Speaker A: Multinationals are of the greatest benefit to developing nations. They bring in investment and they provide jobs.

Speaker B: Multinationals are only out to help themselves. They pay low wages, sap the country of its resources, then take their profits home. The developing nations get few benefits.

Speaker A takes a position that is positive and in support of the topic.

Speaker B takes the opposite position. They both explain their positions in one or two sentences.

For **each** of the five topics below, write comments or positions for the two speakers. Make sure that their positions are clear and reflect a knowledge of what you studied in this unit. Support your answers.

Remember: **Speaker A** is always positive and supporting.
Speaker B is always negative and critical.

Speaker A *should represent positions in favour of development and industrial expansion.*

Speaker B *is either against development and expansion or is in favour so long as certain conditions are met.*

Answers must support positions that demonstrate a command of the topic.

Topic 1: Third World Debt Repayment

Speaker A and Speaker B: *In this position either speaker could take either position, so long as each chooses a different one.*

A: *Countries should repay debts; otherwise worldwide financial chaos would result.*

B: *Countries should not repay their debts, but rather concentrate on internal development.*

Topic 2: Results of Development in Brazil

Speaker A: *Results are generally positive. The economy is booming; manufacturing and industry are booming; exports are huge.*

Speaker B: *There are environmental problems, great disparity in wealth, and a huge foreign debt.*

Topic 3: Results of Development in India

Speaker A: *Results are generally positive. There has been great expansion and successes in most branches of industry, resource development, and agriculture.*

Speaker B: *There are problems in wealth distribution. Urban crowding problems have arisen.*

Topic 4: Cash Crops

Speaker A: *The growing of cash crops is good, because it creates jobs and brings wealth and investment into the country.*

Speaker B: *Cash crops profit only a few landowners. Jobs created are poor, and profits leave the country.*

Topic 5: Global Interdependence

Speaker A: *Global interdependence is largely a positive force. There is now a world-wide flow of goods and profits for all. Multinational corporations flourish, breaking down national separations.*

Speaker B: *Global interdependence is largely a negative force. It creates debt and encourages the exploitation of the poor by the rich – e.g., multinationals take advantage of Third World workers.*

N.L.C. - B.N.C.



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